

Johnston County median income over these ten years was not 65% but 35%, as shown by the difference between the red and the black median income lines on the chart. The index of Johnston County retail sales has been adjusted in the same way to separate apparent changes due to inflation from real changes.

As the graph shows, retail sales have increased faster than the median income, despite the fact that the County population decreased by about 3% during this period. This is contrary to the usual pattern, which is that retail sales increase at a slower rate than income. There seem to be two parts to the explanation of Johnston County's unusual record during the '50's. One is an effect of the quite low incomes prevalent in the County, the other a result of the rapid shift from farm to nonfarm employment. As incomes increase a smaller proportion of income is spent on necessities, like rent or mortgage payments and food, and a larger proportion on other things, like clothes, savings, life insurance and vacations. Most Americans have incomes high enough so that retailers get a smaller proportion of increases in real income. But it seems that the average Johnston County family has an income so low that a larger proportion of any real increase goes for retail goods and services, because the family cannot afford to put much of the increase into savings, insurance, vacation trips and the like. The number of farmers and farm jobs in the County decreased greatly during the 1950's, while there was an almost equal increase in nonfarm employment. This implies that some food which had been grown of farmers and consumed in their own homes, which is not included in these income figures, was replaced by higher nonfarm wages which were, in part, used to purchase food grown by others. Also, and probably more important, is the fact that people would not have changed from farming to nonfarm employment if they did not expect to get higher real incomes.